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Vice President and Chief Regulatory Officer
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BY COURIER

October 25, 2009

Ms. Kirsten Walli
Secretary
Ontario Energy Board
Suite 2700, 2300 Yonge Street
P.O. Box 2319
Toronto, ON.
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Dear Ms. Walli:

**EB-2008-0150 - OEB Consultation on Energy Issues Relating to Low Income Consumers -
Hydro One Networks Inc.'s Comments on September 30, 2010 Proposed Amendments**

Hydro One Networks Inc. ("Hydro One") appreciates the opportunity to comment on the Board's proposed new service processes for customers who qualify as low income. As you know Hydro One is very supportive of the Low Income Energy Assistance Program and the Company recognizes that Code amendments are necessary for program implementation and need to be implemented in a timely fashion. For Hydro One, there are some critical initial steps which must be followed before any code amendments can be implemented.

The proposed amendments define an "eligible low income customer" as a customer who meets a household income cut-off, and this is "to be confirmed by a social service agency or government agency accepted by the Board for this purpose." In order for Hydro One to establish its Agency partner(s), we must follow our procurement policy which requires fair and transparent treatment for potential vendors or service providers. It is not possible to conduct the necessary RFP process; select the successful Agency partner(s); and have the required Agency network in place and trained province wide by the proposed date of January 1, 2011.

In addition, given the final Code amendments are not expected to be issued until mid-November, it will not be possible to implement the required system changes necessary to support this initiative. For example, the proposed amendments require extending a bill payment date for a low income customer. (Section 2.6.3.1A). The bill payment date is linked to a number of subsequent billing functions, such as application of late payment charges, identification of balance forward amounts, and collection actions. These must be dismantled or addressed in some way to eliminate problems on the customer's subsequent bill. The amendments also propose a new Arrears Management program for customers who qualify as low income. (Section 2.7.1.3). This is a complex process, which cannot be established in our billing system by January, 2011. Hydro One manages a large volume of billing and collection activities

at our customer communications centre daily -- we set up approximately 300 payment arrangements/agreements each day – and so all of these processes must be automated for us to serve customers effectively.

Hydro One will therefore not be able to meet the proposed January 1st, 2011 implementation date and proposes the earliest possible date for the implementation of the proposed Code amendments is late spring 2011. This will allow time to address these complex system changes. This timing also aligns with Hydro One's timeline to select a lead social agency, determine the appropriate local social agencies, provide training regarding qualifying our "low income customers" as defined in the OEB's description of the Code amendments as well as providing time to train staff, and establish what will become important interaction processes between Hydro One and social service or government agencies. Should the January 1, 2011 target remain unchanged, Hydro One will seek an exemption for the reasons outlined above.

Following are additional specific comments related to the proposed Code amendments:

2.4.12A of the DSC and 7.7.4.1 of RSC mandate a bill insert to notify customers of options related to security deposit and billing errors, should they qualify as a low income customer. We request other communications vehicles be identified and allowed. Hydro One must communicate in two languages, and this Code requirement would limit the ability of other bill insert messages being sent out. We therefore request other communications options be allowed, including bill message, letter, or outbound recorded message. Hydro One is using all these approaches today to communicate a large volume of messages and programs to customers.

2.4.23A and C requires a distributor to refund a security deposit to a customer who qualifies as eligible low-income. We recommend this option should be available only for an account in good standing. If there are arrears on the account, the security deposit should be applied first to the arrears, and any balance would be refunded. This practice would be in line with other code changes, such as applying the deposit to arrears before entering into a Payment Agreement.

2.6.3.1A This proposed amendment allows a delay in the bill payment date to the 5th business day of the following month. Hydro One is assuming that this is an option that could be elected to be used for one billing period. Given that assumption, we suggest there should be a limit to the number of times a customer can request this delay option. Customers who qualify as low income will have other options to help defer payment amounts, such as entering into a Payment Agreement, or choice of two dates within a month for equalized bill payment. Please clarify if we have not interpreted this change correctly.

2.7.6A lists the charges that will be waived should an eligible low-income customer enter into an arrears payment agreement. Please confirm that "load control" is referring to a load limiter.

Part III amendments to the SSSC, section 2.6.2 describes an equalized billing plan. Section 2.6.2B says the plan must be available to an eligible low-income customer receiving standard supply service. Please confirm this is intended to exclude customers who are retailer-enrolled.

Appendix B covers adjustment to the July 2, 2010 Code changes. This Appendix includes a new section, 2.9 on use of load limiting devices. Some customers view a load limiter as a means to help

them reduce consumption, which ultimately reduces their electricity bill. We therefore recommend that customers should have the option to continue with a load limiter, should they choose. This could be in concert with a payment agreement. We also recommend the following be added to this section. If a customer has defaulted on a recent Payment Agreement or on a Payment Agreement during the seasonal period when a load limiter may be used, a limiter may be placed on the property.

Hydro One requests a clarification for section 2.7.4.4. This section states that a default of payment agreement must occur over at least two different billing periods. Typically a billing period is considered a monthly or bi-monthly period. Please clarify the intent is to track any default over a monthly or bi-monthly "period of time" Or has this section been included to clarify that the "default on more than one occasions" does not have to be two consecutive arrears agreement payments? In some cases, customers may agree to make more than one payment in a monthly billing period. With our suggested changes Hydro One could meet the January 1, 2011 implementation date for the proposed changes in Appendix B.

It should be pointed out that, Hydro One is estimating a cost of approximately \$700,000 to implement these system changes and prepare call centre staff for the introduction of this program. We also expect ongoing sustainment costs in call handling, in printing and postage required for additional customer notifications and letters, and we expect our bad debt costs will increase.

Low-income electricity customers will still have options to help them address their bills over the upcoming winter, given that the Code changes announced last July are underway for January implementation. These changes include a new payment arrears program, the refunding of security deposits before an arrears program or before disconnect notice, as well as a restriction on the use of load limiters.

Sincerely,

ORIGINAL SIGNED BY ALLAN COWAN FOR SUSAN FRANK

Susan Frank